



Institution Information

Inquiries

Questions about the information contained within this report can be directed to:

ISU-BusinessAffairs@mail.indstate.edu

Links

ISU institutional research: <http://irt2.indstate.edu/ir>

ISU controller's webpage: <http://www.indstate.edu/controller>

Audited Consolidated Annual Financial Report

Indiana State University's audited Consolidated Annual Financial Report for Fiscal Year Ended June 30, 2012 is available [here](#).

Appropriation and Allotments

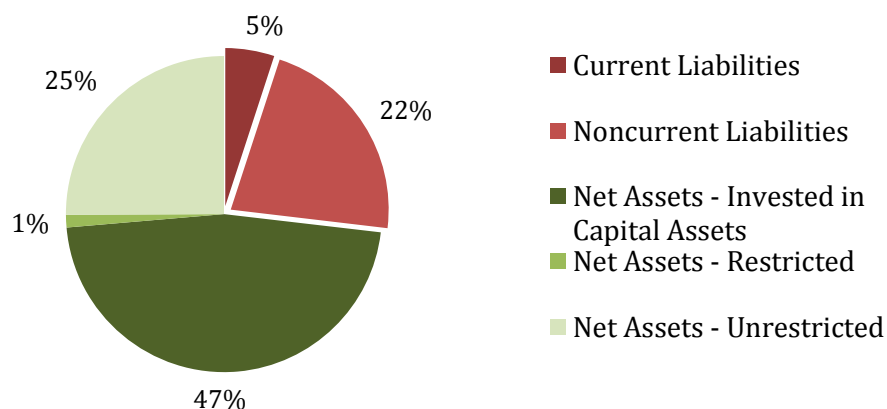
Each biennium, the Indiana General Assembly appropriates funds to Indiana State University. Appropriations are the legal amount upon which an agency is entitled to draw. Allotments represent the actual amounts of appropriations that Indiana State University expended. At the end of the fiscal year, unspent general fund appropriations revert back to the state and cannot be spent during the next budget year. These figures exclude dedicated funds, which do roll over to the following fiscal year.

General Funds for Fiscal Year Ended June 30, 2012

Appropriations	\$ 76,741,679
Allotments	<u>\$ 76,015,090</u>
Difference	<u><u>\$ 726,589</u></u>

Capital Structure

Liabilities and Net Assets as Percentage of Total Assets



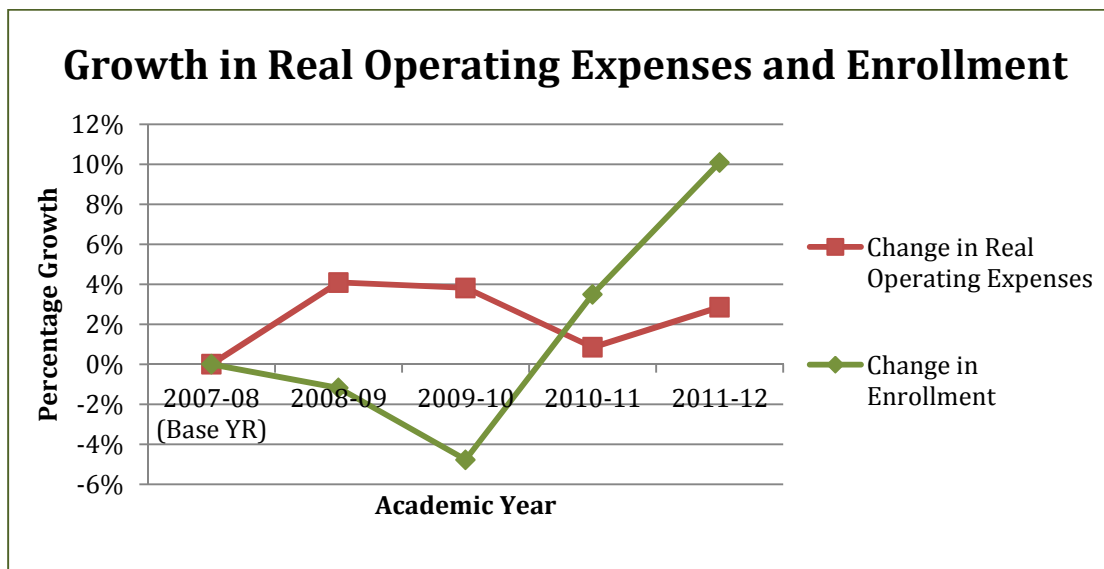


An institution's **capital structure** is the mix of debt and net assets it uses to fund its activities. Liabilities represent obligations that an institution must repay, while net assets represent the net worth of the institution. A large amount of debt is usually an indicator that an institution is investing heavily in capital projects.

The five components of capital structure are:

- **Current Liabilities** – Debt to be repaid within the current year
- **Noncurrent Liabilities** – Debt to be repaid sometime after the current year is over
- **Net Assets – Invested in Capital Assets** – The net value of an institution's buildings and major equipment
- **Net Assets – Restricted** – Institutional funds legally restricted to a specific purpose, such as endowment investments
- **Net Assets – Unrestricted** – The remaining value of an institution after subtracting out all other categories

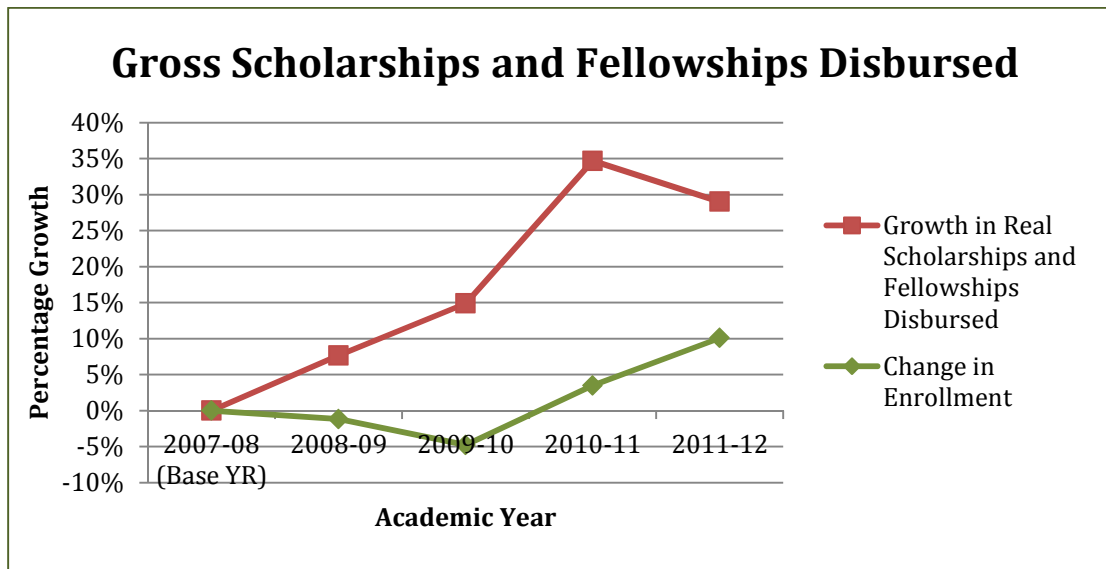
Growth in Real Operating Expenses



This figure illustrates how increasing student enrollment affects ISU's day-to-day **Real Operating Expenses**. The effects of inflation were removed by adjusting Operating Expenses based on the Higher Education Price Index (HEPI).

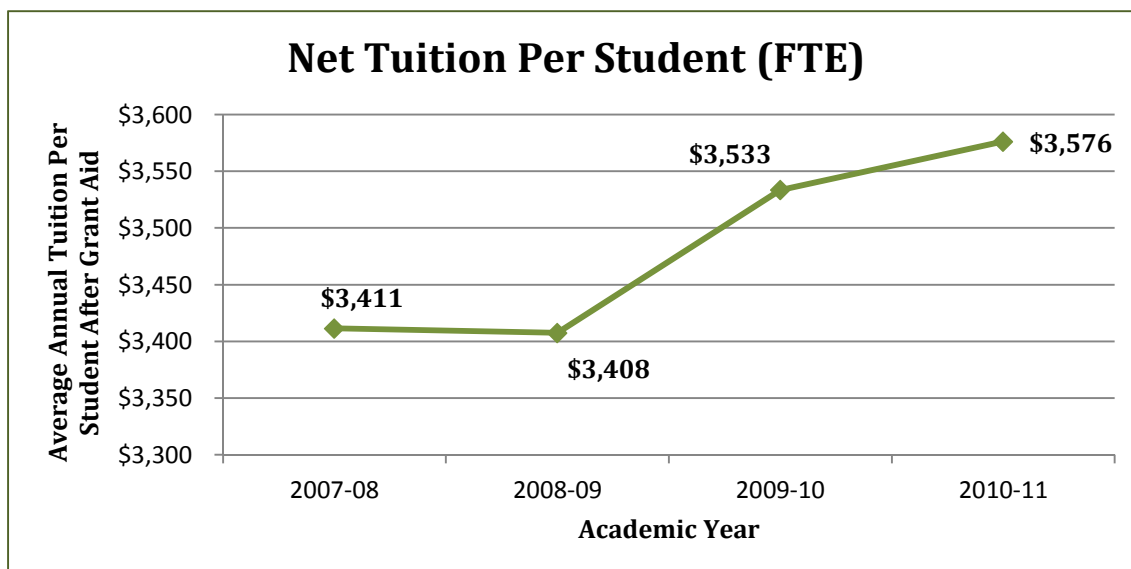


Growth in Gross Financial Aid Disbursed (Inflation-Adjusted)



Gross Scholarships and Fellowships are defined as outright grants-in-aid, trainee stipends, tuition and fee waivers, and prizes awarded to students. This figure shows percentage growth in total **Gross Scholarships and Fellowships** disbursed since the base year as compared to growth in enrollment.

Average Cost of Tuition, After Grant Aid[†]



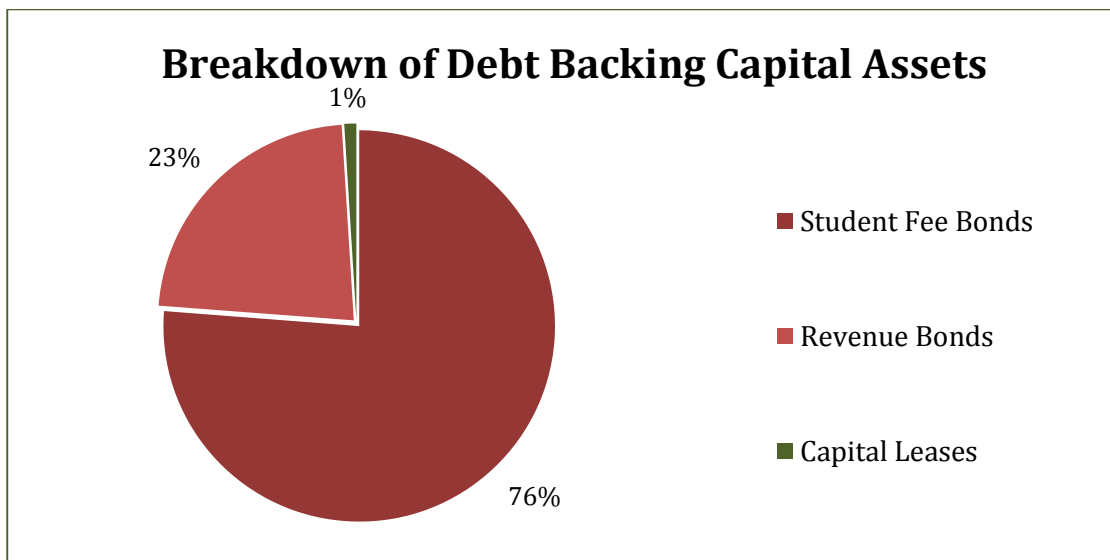
[†] AY 2011-12 data unavailable at time of publication



Net Tuition is defined as an institution's gross tuition & fee revenue minus all federal grant aid, state and local grant aid, and grant aid from institutional resources. In order to arrive at **Net Tuition Per Student (FTE)**, Net Tuition is divided by total student enrollment (Full-Time Equivalents).

This figure illustrates how much the average student pays either out-of-pocket or with student loans for a year's tuition at ISU. **Net Tuition Per Student (FTE)** is a more realistic measure of the cost of tuition than the "sticker price" tuition because it accounts for all financial grant aid that ISU pays out to help lower the cost of attendance.

Long-Term Debt Backing Capital Assets



This figure shows the various debt instruments that make up ISU's \$109,493,627 in capital asset debt as percentages of that value.

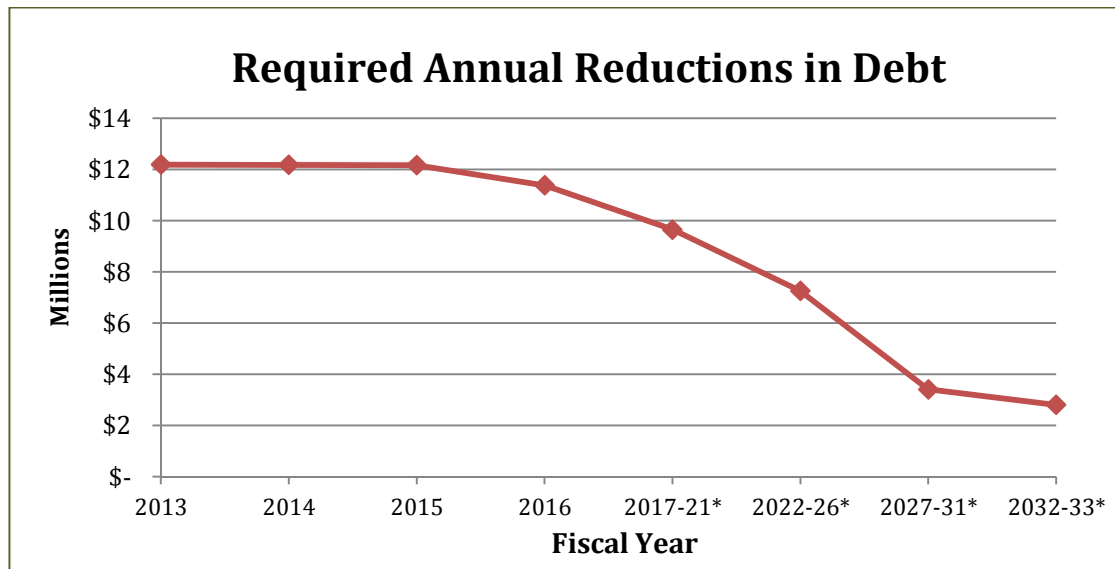
Student Fee Bonds are repaid with student fees but are often reimbursed by the State. The shared nature of their repayment usually makes them less of a burden on the institution than other sources of debt.

Revenue Bonds are claims on the revenues from a new project in exchange for financing its construction.

Capital Leases are arrangements to lease property for a fixed period of time, usually with the option to purchase at a reduced price upon termination of the lease.



Scheduled Debt Reduction



*Average annual payment during this period

According to the terms of its existing debt agreements, ISU must pay down its outstanding debt by the above amounts for each fiscal year shown. Assuming ISU were to take out no new debt, its annual debt service payment would be down to \$3.4 million, or **3.1% of current operating revenues**, by 2029.

Outstanding Debt

For the purposes of this section, outstanding debt refers only to remaining principal.

Uses

A **Student Fee Bond** is debt issued to finance general academic projects that primarily benefit students. Uses of Student Fee Bonds include, but are not limited to: academic and instructional buildings, labs and classrooms; administrative student support functions, etc. These bonds generally hold first lien on student fees. Projects funded through this type of debt benefit all students attending an institution.

A **Revenue Bond** is debt issued to finance auxiliary projects. Auxiliaries are business operations that are not related to academic instruction and exist to furnish goods or services to students, employees, and other institutional departments, such as parking, residence and dining halls, bookstores, research enterprises, and athletics. These bonds generally hold first lien on specific auxiliary-generated revenues.

Other Obligations vary from institution to institution. One example is debt issued to finance energy savings projects. Certificates of Participation, where the project is leased to a third party and proceeds from the lease are used to pay for the debt, are also common.



Debt by Type and Sources of Repayment

Student Fee Bonds

Series	\$ Outstanding	Repayment
K	\$6,090,000	Fee Replacement/Other Income
L	\$19,570,000	Fee Replacement
M	\$40,530,000	Fee Replacement/Student Recreation Center Fee
N	\$8,875,000	Fee Replacement
O	\$8,375,000	Fee Replacement/Other Income
Total	\$83,440,000	

Revenue Bonds

Series	\$ Outstanding	Repayment
2009	\$12,305,000	Housing & Dining auxiliary revenue
2010	\$8,655,000	Housing & Dining auxiliary revenue
2012	\$4,000,000	
Total	\$24,960,000	

Other Obligations

Type	\$ Outstanding	Repayment
Lease - GE Capital IT	\$1,093,627	Legally available Funds
Total	\$1,093,627	

Public Records

ISU's public financial records page: http://www.indstate.edu/vpbus/financial_transparency.htm

This website should contain, at a minimum, the following reports:

- Purchasing Business Diversity Report
- 100-R Personnel Report
- Operating budget requests
- Capital budget/item requests
- Space reports
- A-133 Federal Funds Audit Report
- Academic Program Requests

Sources

Appropriations:

Indiana State Budget Agency, 2011 – 2013 As Passed Budget,

http://www.in.gov/sba/files/ap_2011_Details.xls



Allotments:

Indiana Auditor of State, *Agency Appropriation and Allotment Trial Balance Report*,

[http://www.in.gov/auditor/files/Agency Appropriation and Allotment Trial Balance Report - Pages 65-143.pdf](http://www.in.gov/auditor/files/Agency_Appropriation_and_Allotment_Trial_Balance_Report_-_Pages_65-143.pdf)

Capital Structure, Operating Expenses, Outstanding Debt, Required Annual Reductions in Debt:

Indiana State University, *FY 2011 – 2012 Comprehensive Annual Financial Report*,

http://www.indstate.edu/controller/docs/financial_reports/2011-2012%20Financial_Report.pdf

Gross Scholarships and Fellowships Disbursed, Net Tuition per Student (FTE):

Integrated Postsecondary Education Data System, <http://nces.ed.gov/ipeds/>

Student Enrollment (FTE):

CHE Data Submission System (as submitted by Indiana State University)